HUD newsletter

U.S. Department of Housing and Urban Development
Washington, D.C. 20410 (202) 235-1307

March 1, 1976 Vol. 7 No. 9

Current Trends

***HUD's* February opinion survey was the first on secondary market prices and yields on *HUD/FHA*-insured home mortgages since the lowering to 8¾ percent of the maximum permissible interest rate on January 5. The survey showed that nationally... the secondary market price for immediate delivery of *HUD/FHA*-insured new-home mortgages with 30-year terms and minimum downpayments averaged $97.6 per $100 of outstanding loan amount. The equivalent gross yield to investors at this price was 9.06 percent.**

Yields declined for the sixth straight auction as ***FNMA*** issued $216.8 million in 4-month commitments to purchase both ***Government***-backed and conventionally-financed home mortgages. The commitments on ***Government***-backed mortgages averaged 9.067 percent... which converts to an average price of 97.80 for 8¾ percent ***HUD/FHA-VA*** mortgages. The average in the previous sale was 9.071. In conventional mortgages... $36.9 million in 4-month commitments were issued at an average yield of 9.166... down from 9.219 in late January.

Project notes totaling $709.7 million representing 100 *Public Housing Agencies* were sold in mid-February. Proceeds of the sale will be used to reimburse the *Federal Government* for funds advanced to *Public Housing Agencies* and to refund maturing notes for low-income housing projects. Interest rates on the notes averaged 3.021 percent... down from January's 3.128 percent.

The final tabulation of ***HUD/FHA*** mortgage insurance activity for 1975 shows a modest rise in ***FHA's*** share of the total mortgage activity during the year. After a sharp drop in 1973... and continued low activity in 1974... *Section 203(b)* mortgages... which are the nonsubsidized single-family type... turned upward and accounted for 7.2 percent of all the houses started last year. In 1973... the figure was only 5.2 percent. This is in addition to the more than $8 billion of *Section 235* below-market interest-rate subsidized housing ***FHA*** has committed since early 1974.

The *Commerce Department* reports that permits for new housing construction rose 10.7 percent in January over December... to a seasonally-adjusted rate of 1.138 million units... the highest rate since May of 1974. At the same time... new housing starts fell 5.4 percent from December... to an annual rate of 1.221 million units. The permit activity volume was up 14 percent in apartments and 11.6 percent in the single-family home category over the previous month.

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Recent Decision

In *City of Hartford, et al. v. Carla A. Hills, et al., C.A. No. H-75-258*... the *U.S. District Court* in Hartford recently turned down a method *HUD* used in determining a community's eligibility for a *Community Development Block Grant.* The case was brought by the ***City of Hartford*** to insure that... prior to receiving *Block Grant Assistance*... seven suburban communities around the city provide for the housing needs of lower-income families in Hartford who could be expected to reside in these communities. The city complained that ***HUD*** improperly authorized the grants because it accepted applications from the communities without accurate assessments of future needs for housing of lower-income families. The judge agreed and enjoined the seven communities from spending *Block Grant Funds* until they submit more accurate statements of future housing needs of these families. No decision has yet been made on whether the ***Government*** will appeal.

FYI

Associated General Contractors of America... Annual Convention... Washington, D.C., March 5-11. **Details: *AGC*, 1957 E St., N.W., Washington, D.C. 20006.**

United Mortgage Bankers of America... Mid-Winter Conference... Detroit, March 11-13. **Details: *UMBA*, 1511 K Street, N.W., Washington, D.C. 20005 (202/737-5689).**

National League of Cities and the U.S. Conference of Mayors... Annual Congressional-City Conference... Washington, D.C., March 14-16. **Details: *NLC & USCM*, Conference and Convention Services, 1620 Eye St., N.W., Washington, D.C. 20006 (202/293-7366).**

American Society of Civil Engineers... Technical Council on Water Resources Planning and Management... Washington, D.C., March 21-25. **Details: *ASCE*, 345 East 47th St., New York, N.Y. 10017.**

United States Water Resources Council... Federal Inter-agency Sedimentation Conference... Denver, March 22-26. **Details: *USWRC*, Suite 800, 2120 L St., N.W., Washington, D.C. 20037.**

International Building, Heating, Plumbing and Air Conditioning Fair (HEPAC)... Fair Centre... Helsinki, Finland, April 6-11. **Details: *Finnair*, 10 E. 40th St., New York, N.Y. 10016.**

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Census Briefs

The following selected items have been released by the *Census Bureau* based on data gathered in recent tabulations:

The U.S. population is currently gaining at a rate of .8 of 1 percent or 1.6 million annually. World population is gaining at more than twice the U.S. rate, 2.1 percent, or 78 million.

During 1970-1974... only two States showed a net loss in population... Rhode Island and New York. Growing most rapidly were Arizona, 21 percent; Florida, 19 percent; and Nevada, 17 percent.

One out of every two women 65 and over is a widow; one out of every seven men 65 and over is a widower.

After dropping steadily every year since 1957 from a peak of 25.3 per 1,000 population... the birth rate settled around 14.9-15.0 during 1973 and 1974. Infant death rates continued to decline... reaching a new low of 16.5 deaths per 1,000 live births in 1974... compared with 20 in 1970 and 26 in 1960.

An estimated 745,000 legal abortions were performed in 1973. Illegitimate births numbered 407,000 or 13 percent of all births.

Divorced persons (per 100 married) have increased from 3.5 in 1960 to 4.7 in 1970 to a high of 6.3 in 1974.

Nevada... which ranks as number 1 in the Nation for divorce rate per 1,000 population... is one of the two States to show a decline since 1970 in its divorce rate (from 18.7 per 1,000 in 1970 to 15.6 in 1973). Michigan is the other State with a decline from 3.4 per 1,000 in 1970 to 2.9 in 1973. California neither gained nor lost at 5.7.

The Nation's elderly population has grown by 2.5 million since 1970. The mid-1975 figures show that the over-65 population grew from 19.9 million in 1970 to an estimated 22.4 million last year. At the same time... the population under 5 decreased in the same period by 1.3 million... from 17.2 million to 15.9 million.

Landmark Equal Housing Decree Approved

HUD Assistant Secretary for Fair Housing and Equal Opportunity **James H. Blair** has hailed a recent consent decree approved by the ***U.S. District Court for the Western District of Tennessee*** as **"a major landmark in fair housing litigation."**

The decree... negotiated by the ***Department of Justice***... between ***HUD*** and counsel for the ***Fogelman Management Corporation*** of Memphis... will provide free rent or cash settlement to 315 men and women who appeared to have been discriminated against by the ***Fogelman Corporation*** in their attemps to rent apartments in Memphis.

Under the terms of the consent decree... ***Fogelman*** agrees to comply with *Title VIII of the Civil Rights Act of 1968* and to promote equal housing opportunity. The decree was obtained as a result of an independent investigation by the ***Department of Justice*** and complaints filed with ***HUD*** under the provisions of *Title VIII.*

Commenting on the decree, Mr. Blair said: "The real significance of this action is not so much that it may provide cash settlements to 315 people but that, by extension, it will provide housing for those individuals and their families.

"Based upon this decree... nearly 1,000 black men, women, and children in Memphis could conceivably be able to choose freely an apartment under ***Fogelman Management*** in which they desire to live."

An unusual feature of the decree is the extent to which ***HUD*** will participate in its administration. Each of the 315 individuals will receive a letter and a form containing several options they can employ in settling their complaint. The completed forms will be reviewed by a ***HUD*** Equal Opportunity Specialist in Memphis, who will act as the U.S. representative in discussions with ***Fogelman*** representatives. After these discussions the plaintiff and ***Fogelman*** representatives will meet to settle the option. Under the process confidentiality for each of the plaintiffs will be assured and the exact terms of the option will be carried out.

Among other things the decree also permanently enjoins ***Fogelman Management Corporation*** from:

- Refusing to sell or rent a dwelling after the making of a bona fide offer or refusing to negotiate for the sale or rental of any dwelling to any person on account of race, color, religion, sex, or national origin.
- Discriminating against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities because of race, color, religion, sex, or national origin.
- Representing to any person because of race, color, religion, sex or national origin that any dwelling is not available for inspection, sale, or rental when such dwelling is in fact so available.

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Conservation Program Planned

Planning for Community Conservation... **jointly sponsored by the *City, Regional and Environmental Planning Department of the University of California* (Berkeley)... and the *National Trust for Historic Preservation*... a program concerning new perspectives and methods for making decisions about older buildings and areas is scheduled for April 14 and 15 in San Francisco.**

The course focuses on recognizing and evaluating existing resources as well as how to protect them by law and how to finance their future. It also deals with the factors to consider in preparing an historic preservation element of a local General Plan. The faculty will include community conservation practitioners; planners; and experts in art and architecture, history, law, real estate, building inspection, and program administration.

Details: *City, Regional and Environmental Planning, UC,* 2223 Fulton Street, Berkeley, California 94720 (415/642-4811)

New Publications

1976 Federal Funding Guide for Local Governments. . . published by ***Government Information Services***. . . a Washington-based information organization. This 320-page guide describes nearly 150 programs of Federal assistance to local communities. **Soft-cover $14.95; Hard-cover $18.95**; 20 percent discount for six or more copies. **From *Government Information Services*, 752 National Press Building, Washington, D.C. 20005.**

Pockets of bad housing can be found in every county in Florida. . . a booming State known for its luxury housing and resorts. . . according to the ***American Friends Service Committee's*** *Catalog of Misery*. . . a 96-page photo-text recently issued. Published jointly with the ***Rural Housing Alliance***. . . the publication shows examples of deteriorated housing throughout the State. **Copies of the report. . . designed by Hubert Leckie. . . are available from *RHA*, 1346 Connecticut Ave., N.W., Washington, D.C. 20036. Price $3,** postpaid if payment accompanies order.

Annual Report of the ***Department of Housing and Urban Development***. The report on the activities of the ***Department*** for the calendar year 1974. . . as submitted to ***Congress***. **For sale by the *Superintendent of Documents*, Washington, D.C. 20402, at 85 cents.**

Testing and Inspection and Listed Products Manual. . . 1975 edition. . . published by the ***Hardwood Plywood Manufacturers Association***. The *Manual* is intended to provide a quick-reference identification of companies manufacturing hardwood plywood wall paneling conforming to the flamespread and structural requirements of local, State, and Federal Building construction codes. **Copies can be obtained from the *HPMA*, P.O. Box 6246, Arlington, Va. 22206 at no charge.**

Environmental Certification for Community Development: A Manual of Procedures. . . by Suzanne M. Wellborn. Published by the ***National Association of Housing and Redevelopment Officials***. **Available from *NAHRO*, 2600 Virginia Ave., N.W., Washington, D.C. 20037. (Publication No. N 575) $7.50. . . $4.50 to *NAHRO* members.**

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